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Budgets Signed by Governor Granholm Protect Commitment to Educate our Children, Preserve Merit Scholarship

LANSING – Governor Jennifer M. Granholm today announced that she has signed the fiscal year 2004 appropriations bills for state universities, the state's community colleges and the Department of Education (DOE) into law. She signed the bills yesterday. Granholm said that preserving funding for early childhood development and at-risk programs, as well as the Merit Scholarship program, underscores the commitment her administration has made to educating our children from age zero through college.

"Given the economic climate we are faced with," she said, "we still have accomplished great things that will give our children the opportunity to learn and grow. We had to make tough, painful choices, but we're still making progress and moving Michigan forward. These budgets show our strong commitment to educating Michigan's children, despite the record budget deficit we had to confront."

"While the budget for higher education is lean, it is certainly not mean," said Governor Granholm. "I continue to believe that universities can use this budget as an opportunity to restructure and prioritize programs to minimize any burden that may be placed on Michigan families through tuition increases."

Higher Education

House Bill 4396 funds higher education programs for the coming year at \$1.63 billion general fund, or \$1.79 billion gross.

Total fiscal year 2004 funding for state university operations is \$1.46 billion. For 11 universities, this funding reflects the recommended 6.7 percent reduction from fiscal year 2003 state support. As a result of the target agreement between Governor Granholm and the legislature, an additional \$9.5 million in tobacco settlement funds will be distributed to implement a per-student funding floor of \$3,890. The funding floor allocations, which are built into the base funding of the universities, provide an additional \$538,400 to Central Michigan University (CMU), \$5 million to Grand Valley State University, \$1.9 million to Oakland University and \$2 million to Saginaw Valley State University.

The higher education budget also includes a one-time fiscal year 2003 supplemental of \$7 million. Of this amount, \$1.5 million is designated for CMU, \$2.75 million is distributed by allocating \$250,000 equally to the 11 universities not benefiting from the funding floor increase, and \$2.75 million is distributed to the same 11 universities proportionate to their base funding.

The budget ensures that the Michigan Merit Award Scholarship will be preserved and funded at the \$2,500 level. A total of \$130 million in tobacco settlement funds will be made available for the scholarship for fiscal year 2004.

As recommended by Governor Granholm, \$9.25 million will be made available for the tuition incentive program (TIP) and \$4 million allocated for nursing scholarships. Combined state funding for competitive scholarships and tuition grants will be \$100.3 million, which is approximately the current year level.

Community Colleges

Total fiscal year 2004 appropriations for the state's community colleges is \$289.9 million. This amount includes operations funding of \$283.9 million. For most colleges the funding in House Bill 4388 reflects a reduction of 6.7 percent from the current year. However, Wayne County Community College (WCCC) graciously agreed to an additional reduction of \$450,000, which was spread equally to the operations support provided for Alpena, Bay de Noc, and Gogebic community colleges. This increase mitigated the reductions for these three colleges that are more heavily reliant on state support than

most other colleges and consequently are disproportionately impacted by state aid reductions.

“I would like to commend Wayne County Community College and the legislature for their willingness to assist these three community colleges with their funding,” said Governor Granholm. “WCCC’s willingness to serve the greater good of all

Michigan’s students proves why they are one of the state’s best institutions of higher learning.”

In addition to this operations funding, the bill includes \$3.3 million for the at-risk student success program to assist students who are academically at-risk to help ensure their college success. Finally, the bill includes \$1.75 million to reimburse colleges that lose property tax revenue as a result of Renaissance Zones.

The bill also includes a fiscal year 2003 supplemental appropriation of \$1,077,700 in one-time funding distributed proportionately to the 28 colleges. These funds will provide important assistance to our community colleges during this time of fiscal stress.

Department of Education

House Bill 4391 provides over \$114 million to support school improvement initiatives, invest in early intervention programs, and provide technical assistance to local districts.

The appropriations bill for the DOE adds \$2.6 million to the School Breakfast Program, which increases the total base funding to nearly \$10.4 million. This funding is needed in order to support increased student participation rates in the school breakfast program. The legislation also maintains funding for the school readiness program at current levels of \$12.3 million.

Finally, the Motorcycle Safety Education program will be transferred to the Department of State, and the Off-road Vehicle Safety Training Program to the Department of Natural Resources so that the DOE can focus on its primary mission of improving student achievement.

“We will strive to meet our goal of ensuring the proper development of every child by maintaining school readiness programs for 4-year olds and providing over 36 million nutritional breakfasts to approximately 166,000 children next year,” said Governor Granholm. “Preparing children to learn and helping them achieve a successful

future are the common denominators that run through all these budgets, and I am pleased that we have delivered perhaps the most pro-education budget in Michigan's history."

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